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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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August 31, 1988

Mr. Gerald D. Schurtz
Manager Environmental Engineering
Kennecott Explorations (Australia) Ltd.
P.O. Box 11248
Salt Lake City, Utah 84147

Dear Mr. Schurtz:

Re: Final Approval, Notice of Intention to Commence Large Mining Operations,
Barney's Canyon Project, M/035/009, Salt Lake County, Utah

The Division has completed its review of Kennecott's tentative approval response. Kennecott provided supplemental information to address conditions which remained prior to our issuance of final approval for this project. The Board of Oil, Gas and Mining approved the amount (\$2,700,000) and form (MR Form 5) of the reclamation surety during the executive session of the August 25, 1988 Board hearing.

Final Division approval is hereby granted for the Barney's Canyon Project with the following conditions:

1. No construction of the specific facilities requiring approval by the Utah Bureau of Water Pollution Control (BWPC) is permitted until that Bureau issues a construction permit for the project.

The Division will require at least one (1) copy of the final designs and monitoring plans (as approved by the BWPC) and the construction permit, prior to actual field construction of the facilities. Where possible, all approved final design plans and text should be formatted to allow direct insertion into the permit application on file with the Division.

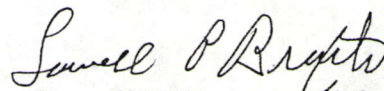
2. Kennecott Explorations (Australia) Ltd. must provide the Division with a detailed decommissioning cost breakdown within one year after start up. The cost estimate will be based on the final decommissioning plan approved by the Bureau of Water Pollution Control (BWPC). The detailed estimate will be jointly reviewed by the Division and the BWPC. If, the current decommissioning estimate (\$125,000) differs significantly from the revised estimate, then the Division will require Kennecott Explorations to adjust the reclamation bond amount accordingly.

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3. The Board has requested that Kennecott complete a new reclamation contract form. The older form (MR Form 5), as submitted, will provide adequate coverage until the new forms become available. The revised forms should be finalized soon. A new surety bond will not have to be obtained for this project.

The Division appreciates Kennecott's patience and cooperation in completing this permitting activity. Please feel free to contact us at any time should you have additional permitting questions or concerns.

Sincerely,



Lowell P. Braxton, Administrator
Mineral Resource Development
and Reclamation Program

DWH/jb

cc: Gregory Boyce, Barney's Canyon Mine
Robert Bayer, JBR Consultants
Steve Harris, Magna Area Elected Council
Jerry Mansfield, State Lands
Blaine Milner, Copperton Improvement District
Kent Miner, Salt Lake City/County Health Dept.
Robert Morgan, Water Rights
Don Osler, BWPC
William Thurman, McKay, Burton and Thurman
Wayne Hedberg
Holland Shepherd

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